



Bruce K. Cox
Government Affairs Vice President

Suite 1000
1120 20th Street, NW
Washington, DC 20036
202 457-2545
FAX 202 457-2545

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, D. C. 20554

Re: Ex Parte Correspondence -- CC Docket Number 96-98

Dear Mr. Caton:

At the request of staff, attached are calculations representing AT&T's view of what shared transport should cost, as an unbundled network element, per minute of use. For comparison, also attached are AT&T's calculations, using the same assumption set, for each of three scenarios using Ameritech's shared transport (view 1 & 2) or wholesale service (view 3) proposals. The final attachment documents the non-recurring charges for "shared transport" which Ameritech has indicated they will levy on new entrants.

In accordance with Section 1.1206(a)(1) of the Commission's rules, two (2) copies of this Notice are being submitted to the Secretary of the FCC.

Sincerely,

Bruce K. Cox

Attachments

cc: **Ms. L. Gelb**
Mr. K. Gude
Mr. J. Smith

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ASSUMPTIONS & RATES USED

Hatfield shared transport end office to end office	\$.00046
Hatfield shared transport end office to tandem	\$.00083 per leg
Ameritech unbundled tandem switching	\$.000378
Ameritech T&T tandem switching	\$.000956
Ameritech T&T tandem port	\$.000193
Ameritech T&T tandem facility	\$.000012 per mile
Ameritech monthly cost for DSI	\$383.63

- 20% of local traffic routes through an Ameritech tandem (AT&T view)
- Average mileage length of 5 miles for dedicated transport
- Trunk to line ratio of 8:1 (used to allocate monthly dedicated transport cost to an end user)
- 100 % of traffic routes through the tandem (Ameritech views 1 & 2)
- Average interswitch local calling = 400 minutes per customer per month
- End office termination charges are a wash & therefore not included in the analysis
- AT&T will serve customers in every Ameritech end office using UNE-P
- Ameritech rates are from Illinois agreement
- Non-recurring rates reflect what Ameritech indicated to AT&T it would cost to establish “shared transport network”
- Ameritech View #3 is based on rates in Ameritech’s tariff dated 1/4/97
- AT&T will need 100 line class codes per switch

TRANSPORT & TANDEM SWITCHING
COST COMPARISON SUMMARY
ILLINOIS

AT&T View

Combination of unbundled shared transport & tandem switching	\$.000776 per minute
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Ameritech View #1

Combination of dedicated transport and transport & termination charges	\$.006209* per minute
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Ameritech View #2

All transport used by CLEC is dedicated transport	\$.0100* per minute
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Ameritech View #3

Uses Ameritech's existing transport as a service at their wholesale rates

<u>Band</u>	<u>Residence</u>	<u>Business</u>
A	\$.0057 per min.	\$.0106 per min.
B	\$.0184 per min.	\$.0219 per min.
C	\$.0261 per min.	\$.0322 per min.

* Does not account for non-recurring costs

AT&T VIEW (SHARED TRANSPORT)

.00046 (End Office to End Office ST Cost) x .8 (% of traffic direct routed)	\$.000368
.00083 (Tandem to End Office ST Cost) x .2 (% of traffic tandem routed) X 2 (# of ST legs)	\$.000332
.000378 (Unbundled Tandem Rate) x .2 (% of traffic tandem routed)	\$ <u>.0000756</u>
Average Cost Per Minute of Use for Shared Transport combined with tandem switching	\$.000776

AMERITECH VIEW #1

NOTE: This analysis assumes the call uses CLEC dedicated transport from the originating end office to the Ameritech tandem and transport & termination to complete the call from the tandem.

Dedicated Transport = \$383.63 / 192 (8:1 trunk/line ratio) / 400 (Avg. Min/ Month)	\$.005000
Transport & Termination = .000956 + .000193 + .00006	\$ <u>.001209</u>
Total cost per equivalent minute of use for transport & tandem switching (excludes termination charges)	\$.006209*

* Does not account for non-recurring costs

AMERITECH VIEW #2

NOTE: This analysis calculates the cost using dedicated transport to get call from originating end office to the tandem and dedicated transport from the tandem to terminating end office.

Dedicated Transport = $\$383.63 / 192$ (8:1 trunk/line ratio) $\times 2$ (originating DSI & terminating DSI) / 400 (Avg Mou) = **\$.0100*** per equivalent minute of use.

AMERITECH VIEW #3

NOTE: This view uses Ameritech's proposal to utilize its existing transport network as a service and compensate Ameritech at its wholesale rate.

<u>Band</u>	<u>Mileage</u>	<u>Residence</u>	<u>Business (1-11 Lines)</u>
A	0-8 Miles	\$.0057 per minute of use	\$.0106 per minute of use
B	8-15 Miles	\$.0184 per minute of use	\$.0219 per minute of use
C	> 15 Miles	\$.0261 per minute of use	\$.0322 per minute of use

* Does not account for non-recurring costs

AMERITECH NON-RECURRING CHARGES FOR “SHARED TRANSPORT”

Administrative Charge Per Order	\$ 408.05
Service Order Per DSI	398.73
Design & Central Office Connection Per DSI	636.43
Carrier Connection Charge - Two Applied Per DSI	588.93
Clear Channel Signaling Per DSI	448.20
UTS Line Connect Charge Per DSI	770.29
UTS Service Order Charge	398.73
Initial Trunk Port Connection	<u>770.29</u>
Non-Recurring Cost Per DSI	\$4419.65
Customized Routing	\$23,224.00
Billing Development	<u>35,328.87</u>
Non-Recurring Cost Per Switch	\$58,552.97